

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

NIC #780-83
27 January 1983

National Intelligence Council

MEMORANDUM FOR THE RECORD

SUBJECT: SIG-IEP Meeting of 27 January 1983

1. The SIG-IEP meeting concerned several agricultural issues

Secretaries Regan (Chairman), Shultz, Baldrige, Block, and Ambassador Brock attended, as did senior staffers. Harry Rowen and I attended for CIA.

2. The main agricultural issue concerned the proposed sale of 50,000 tons of US surplus butter to the USSR. USDA had proposed at the previous SIG meeting that the butter be bartered for Soviet nickel, or other minerals, for the strategic stockpile.

NSC, State, and DOD continue to be negative about butter sales to the Soviets because of the internal US subsidy and the bad impression the sale would make at a time when we are trying to get our Allies to limit their economic dealings with Moscow. USDA claims the Soviets will get the butter anyway, and ours soon will spoil if we don't sell it soon.

3. Other agricultural issues include a subsidized sale of flour to Egypt, which is intended to serve as a warning to the European Community that we too can play the subsidies game, and to the prospect of which the Community, especially the French who would be most affected, have already reacted. Also briefly discussed was a program involving a mix of direct credits and CCC export credit guarantees for sales of various agricultural products, and the unsubsidized sale of some dairy products to Egypt.

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